Fincorp

Fincorp Investment Ltd

Annual Report

June 30, 2017

Contents

Corporate Governance Report

COMPLIANCE STATEMENT

The Company is committed to the highest standard of business integrity, transparency and professionalism in all its activities to ensure that these are managed ethically and responsibly to enhance business value for all stakeholders. As an essential part of this commitment, the board endeavours to comply with all material provisions of the Code of Corporate Governance for Mauritius.

COMPANY STRUCTURE

Fincorp Investment Ltd (Fincorp) is a subsidiary of MCB Group Limited (MCBG). MCBG has a 57.73% stake in Fincorp.

BOARD OF DIRECTORS

The Board of Directors of Fincorp consists of five Directors. The Company has no workforce and all administrative matters are carried out by the staff of the companies of MCB Group Limited. Fincorp has therefore no Executive Directors.

The Company , therefore, does not have any formal succession plan of its own. It shall adopt the policy of its holding company with respect to succession planning of directors of the Board.

(a) Composition

Jean-Pierre Montocchio – (Non Executive Director) Age 54

Notary Public since 1990, Jean-Pierre, resident of Mauritius, sits on several boards of companies spanning various sectors of the economy. He has served on the Board of MCB Ltd for several years since 2001 and was a Director thereof until March 2014, after which he was appointed Director of MCB Group Ltd following the Group's restructuring exercise. He joined Fincorp on 27 December 2004 and is presently the Chairman.

Directorship in other listed companies

Caudan Development Ltd
Rogers & Co. Ltd
Promotion and Development Ltd
New Mauritius Hotels Ltd
MCB Group Limited
ENL Land Ltd
Les Moulins de la Concorde Ltée

Corporate Governance Report *(Continued)*

Sunil Banymandhub – (Non Executive Director) Age 68

Holds a BSc (Honours) First Class in Civil Engineering from the University of Manchester Institute of Science and Technology, a Master's degree in Business Studies from London Business School (UK), and is an Associate of the Institute of Chartered Accountants of England and Wales. Sunil has occupied senior positions in the private sector in Mauritius in addition to launching his own transport company in 1990. In 2001, he joined the CIM Group, a company engaged in financial and international services, from which he retired as Chief Executive Officer in 2008. During his career, he has been involved in various private sector organisations. Amongst others, he was President of the Mauritius Employers' Federation. He was a Member of the Presidential Commission on Judicial Reform, headed by Lord Mackay of Clashfern, previously UK Lord Chancellor. Resident of Mauritius, he has been appointed Director of MCB Group Limited in April 2014 and Director of Fincorp Investment Ltd in December 2014.

Directorship in other listed companies

New Mauritius Hotels Ltd
MCB Group Limited
Omnicane Ltd
Blue Life Ltd

Herbert Couacaud, C.M.G.– (Independent Director) Age 69

Holder of a BSc in Economics and Mathematics from the University of Cape Town (1971), Herbert has actively contributed to the development of the tourism industry in Mauritius. Resident of Mauritius, he was appointed on the Board of Fincorp in 2004.

Directorship in other listed companies

New Mauritius Hotels Ltd

Bashirali Abdulla Currimjee, G.O.S.K. – (Independent Director) Age 74

Holds a BA Arts, Major in Economics and Government from Tufts University (US) obtained in 1965. He joined Currimjee Jeewanjee & Co. Ltd in 1965 where he is currently the Chairman . He is a resident of Mauritius.

Directorship in other listed companies

Compagnie Immobilière Limitée
Margarine Industries Limited
Quality Beverages Limited
Soap & Allied Industries Limited

Michel Doger de Spéville, C.B.E.- (Independent Director) Age 79

Founder of the Mauritius Jaycees and resident of Mauritius, Mr Doger de Spéville is also a member of the Duke of Edinburgh's Award World Fellowship and Honorary Fellow in Agro-Industry of the University of Mauritius. He was the President of the Mauritius Chamber of Commerce and Industry and partner of De Chazal du Mée. He joined the Board of Fincorp Investment Ltd since its incorporation and has been the Chairman of the Food and Allied Group since 1975.

Corporate Governance Report *(Continued)*

Directorship in other listed companies

Les Moulins de la Concorde Ltée
Livestock Feed Ltd
Tropical Paradise Co Ltd

(b) Role and Responsibilities of the board

All the members of the board possess the necessary knowledge, skills, objectivity, intellectual honesty, integrity, experience and commitment to make sound judgements on various key issues relevant to the business of the Company and to protect the interests of shareholders, clients and other stakeholders.

(c) Role of the Chairman

The Chairperson's primary role is to ensure that the board is effective in its tasks of setting and implementing the Company's direction and strategy. He must ensure that appropriate policies and procedures are in place for the effective management of the Company.

(d) Board Evaluation

For the year under review, no evaluation of the Board or its Committees was carried out. The Directors of Fincorp have been appointed in the light of their expertise, skills and competence acquired through many years of working experience and professional background.

(e) Directors Selection, Training and Development

The responsibility of selecting new directors forms part of the responsibility of the Group Remuneration and Corporate Governance Committee and the Chairperson of the said Committee oversees the selection process. Fincorp has set up an informal induction program to introduce newly appointed Directors to the Company's business. The program meets the specific needs of both the Company and the newly appointed Director and enables the latter participate actively in Board's discussion.

(f) Board Charter

Fincorp has adopted a Board Charter on 30th September 2016.

Corporate Governance Report *(Continued)*

DIRECTORS' INTEREST AND DEALINGS IN SHARES

With regard to Directors' dealings in the shares of the company, the Directors confirm that they have followed the absolute prohibition principles and notification requirements of the model code on securities transactions by Directors as detailed in Appendix 6 of the Mauritius Stock Exchange Listing Rules.

The Company Secretary maintains a Register of Interests which is updated with every transaction entered into by Directors and their closely related parties. Such transactions, which have to take place exclusively outside the closed periods prescribed by the Stock Exchange Regulations, require the written authorisation of the Board of Directors.

All new Directors are required to notify in writing to the Company Secretary their holdings in the Company's shares as well as those in related corporations. This is entered in the Register of Interests, which is subsequently updated with all relevant movements.

	No. of Shares held as at 30th June 2017	
Directors	**Direct**	**Indirect**
Sunil BANYMANDHUB	-	-
Herbert COUACAUD, C.M.G.	41,587	55,075
Bashirali Abdulla CURRIMJEE, G.O.S.K.	-	-
Michel DOGER DE SPEVILLE, C.B.E.	-	12,002
Jean-Pierre MONTOCCHIO	-	12,493

There has been no movement of shares during the year.

DIRECTORS OF THE SUBSIDIARY OF FINCORP INVESTMENT LIMITED

FINLEASE COMPANY LIMITED

Sow Man (Claude) AH YUK SHING
Luc Alain Gurty CHAMARY (up to August 2017)
Marie Joseph Bernard D'HOTMAN DE VILLIERS
Mulk Raj GUNGAH (as from September 2017)
Alain LAW MIN
M J François MONTOCCHIO
Jean Michel NG TSEUNG

Corporate Governance Report (Continued)

DIRECTORS' REMUNERATION AND BENEFITS

	From the Holding Company		From Subsidiary	
	2017 Rs'000	2016 Rs'000	2017 Rs'000	2016 Rs'000
Directors of Fincorp Investment Ltd				
Non-Executive	**262**	262	**-**	-
Directors of subsidiary only				
Non-Executive	**-**	**-**	**370**	500

Details of Directors Remuneration for year 2017

Directors (Non-executive)	From the Holding Co.	From Subsidiary
	Rs. 000	**Rs. 000**
Jean-Pierre MONTOCCHIO	110	-
Sunil BANYMANDHUB	38	-
Herbert COUACAUD	38	-
Bashirali A CURRIMJEE	38	-
Michel DOGER DE SPEVILLE	38	-
Total	**262**	**-**

Remuneration philosophy

No remuneration philosophy is in place as the Company does not have a workforce.

DIRECTORS' SERVICE CONTRACTS

There are no service contracts between the Company and its directors.

Corporate Governance Report *(Continued)*

CONTRACT OF SIGNIFICANCE

The Directors have no contract of significance with the Company and its subsidiary.

RELATED PARTY TRANSACTIONS

For related party transactions, please refer to note 28 of the financial statements.

SHAREHOLDING PROFILE

Ownership of ordinary share capital by size of shareholding as at 30th June 2017 is given in the table below.

Size of Shareholding as at 30 June 2017	Number of shareholders	Number of shares owned	% Holding
1 - 500 shares	1,007	199,602	**0.19**
501 - 1,000 shares	285	224,796	**0.22**
1,001 - 5,000 shares	787	2,011,344	**1.95**
5,001 - 10,000 shares	238	1,755,169	**1.70**
10,001 - 50,000 shares	314	7,089,110	**6.86**
50,001 - 100,000 shares	51	3,441,786	**3.33**
Above 100,000 shares	42	88,633,533	**85.75**
Total	**2,724**	**103,355,340**	**100.00**

SHAREHOLDERS HOLDING MORE THAN 5% OF THE COMPANY

Name of shareholder	No. of shares	% Holding
MCB Group Limited	59,667,245	57.73
Pershing Llc Main custody a/c	11,098,000	10.74

Messrs Jean-Pierre Montocchio and Sunil Banymandhub are common directors of Fincorp Investment Ltd and MCB Group Limited.

DIVIDEND POLICY

The Company aims to supply its shareholders with ongoing returns in the form of stable dividends.
Key dividend ratios over the past five years are shown hereunder.

	FY 2016/2017	FY 2015/2016	FY 2014/2015	FY 2013/2014	FY 2012/2013
Dividend per share (Rs)	**0.60 ***	0.60	0.60	0.45	0.30
Dividend cover (No. of times)	**1.12**	6.17	1.08	3.38	0.89
Dividend yield (%)	**2.43**	3.09	2.96	2.24	1.67

** The Board has approved on the 17 July 2017 a final dividend of Re 0.60 per share for the financial year ended 30 June 2017.*

SHAREHOLDERS AGREEMENT AFFECTING THE GOVERNANCE OF THE COMPANY BY THE BOARD

There is currently no such agreement.

THIRD PARTY MANAGEMENT AGREEMENT

No such agreement presently exists.

BOARD ATTENDANCE

The following table gives the record of attendance at Fincorp Board for Financial Year 2016/2017.

	Board of Directors
Number of Meetings held	**4**
Meetings attended	
Jean-Pierre MONTOCCHIO	4
Sunil BANYMANDHUB	3
Herbert COUACAUD, C.M.G.	2
Bashirali Abdulla CURRIMJEE, G.O.S.K.	1
Michel Pierre Elysée DOGER DE SPEVILLE, C.B.E.	3

COMMITTEES

Audit Committee

An Audit Committee of the Company had been set up on 3rd March 2005. As at date members of the Audit Committee are
Sunil BANYMANDHUB
Michel DOGER DE SPEVILLE

The Committee's duties are to assist the Board in fulfilling its financial reporting responsibilities. The Committee reviews the financial reporting process, the internal control system and the management of financial risk, the audit process and monitors compliance with laws and regulations. One audit committee was held during the year under review on 11th May 2017. Both members attended the meeting.

The Audit Committee Charter has been approved on 30th September 2016.

Corporate Governance Report *(Continued)*

Corporate Governance Committee

The Company being a subsidiary of MCB Group Limited does not have a separate Corporate Governance Committee as allowed by the Code of Corporate Governance of Mauritius. The Directors ensure that the principles of good governance of the MCB Group are followed and applied throughout.

AUDITORS' FEES

The fees paid to the auditors for audit and other services were:

	2017		2016	
	Audit Rs'000	Other Rs'000	Audit Rs'000	Other Rs'000
Fincorp Investment Limited				
BDO & CO	219	-	212	-
Finlease Company Limited				
BDO & CO	-	-	483	121
PricewaterhouseCoopers Ltd	585	241	-	-

Note that the fees for other services relate to internal contol and engagement for dividend declaration review.

INTERNAL AUDIT FUNCTION

The Company has no workforce and has only a Board of Directors which meets on a quarterly basis to take any decision regarding the Company, to approve the interim and final accounts of the company as well as to declare final dividends to the shareholders of Fincorp Investment Limited. As such the requirement for an internal audit function is not relevant. Moreover, the Board reviews annually the need to establish an internal audit function and is of opinion that the costs to be incurred compared to the benefits to be derived from appointing a service provider to carry out an internal audit exercise are presently not justified.

INTERNAL CONTROL

The Board of Directors have delegated the responsibility to ensure the effectiveness of the internal control systems to the Audit Committee of the Company which met once during the period under review and which has set adequate policies to provide reasonable assurance that risks are identified and managed appropriately. Any serious issue arising is taken at Board level.

RISK MANAGEMENT

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The Board of Directors is ultimately responsible for risk management, the organisation's systems of internal control, procedures in place within the organisation and for the definition of the overall strategy for risk tolerance. The Company's policy on risk management encompasses all significant business risks including physical, operational, business continuity, financial, compliance and reputational which could influence the achievement of the Company's objectives.

Corporate Governance Report *(Continued)*

The risk management mechanisms in place include:

- a system for the ongoing identification and assessment of risk;
- development of strategies in respect of risk and definition of acceptable and non-acceptable levels of risk;
- reviewing the effectiveness of the system of internal control; and
- processes to reduce or mitigate identified risks and contain them within the levels of tolerance defined by the Board.

The key risks for the Company are legal, regulatory, operational, reputational, performance and financial risks and the Board is directly responsible for the design, implementation and monitoring of all risk, compliance and procedures of the Company.

Legal risk is managed by the Board, taking advice from the Company's legal advisor where appropriate. The Board also takes out appropriate insurance cover.

Regulatory risk is managed by the Board and involves the setting out of proper processes and procedures in order to comply with all relevant legislations in force to safeguard the assets of the Company.

Operational risk is managed by the Board and involves the identification of proper operational and administrative procedures to mitigate the risk of losses through errors or omissions.

Reputational and performance risks are also managed by the Board.

Financial risks are reported in note 3 of the Financial Statements..

SHARE OPTION PLAN

No such scheme currently exists within the Company.

TIME TABLE – IMPORTANT FORTHCOMING EVENTS

November 2017	Release of quarterly results
December 2017	Annual Meeting of shareholders
February 2018	Release of half yearly results
May 2018	Release of results for the 9 months to 31st March 2018
June 2018	Declaration of dividend
July 2018	Payment of dividend
September 2018	Release of full year results to 30th June 2018

Corporate Governance Report *(Continued)*

SHARE PRICE INFORMATION

The Company's share price started the year at Rs 19.40. It closed at Rs 24.70 on 30th June 2017.

DONATIONS

Political donations

No political donation was made by the Company and its subsidiary.

Charitable donations

No charitable donation was made by the Company. Rs 20,000 was given to charitable associations by Finlease Company Limited during the year.

CORPORATE SOCIAL RESPONSIBILITY

As the Company is not properly structured to identify and manage CSR projects, the Board has decided that Corporate Social Responsibility contributions will be made to the MCB Forward Foundation, the entity set up within the MCB Group for these very purposes. Contributions made during the year amounted to Rs 1,337,403.

MATERIAL CLAUSES OF THE CONSTITUTION

There are no clauses of the constitution deemed material enough for special disclosure.

HEALTH AND ENVIRONMENT SAFETY

The Company has applied social, safety, health and environmental policies and practices of the MCB Group that in all material respects comply with existing legislative and regulatory frameworks.

STAKEHOLDERS' RELATIONS AND COMMUNICATION

The shareholders are properly kept informed on matters affecting the Company as they are fairly represented on the Board. All Board members are requested to attend the Annual Meeting, to which all shareholders are invited. Open lines of communication are maintained to ensure transparency and optimal disclosure.

For and on behalf of the Board of Directors

MCB Registry & Securities Ltd
Company Secretary
Date: 29th September 2017

Report of the Directors

On behalf of the Board of Directors of Fincorp Investment Limited (“Fincorp”), we are pleased to present the Report of the Directors in respect of the financial year ended 30 June 2017.

RESULTS AND DIVIDENDS

Consolidated results for the year amounted to Rs 82.0 million compared to Rs 382.4 million achieved last year.

Operating profit before taking into consideration the share of profits of associates dropped from Rs 28.0 million to Rs 17.2 million mainly as a result of the lower profits realised by Finlease Company Limited owing to higher impairment charges and compressed margins exacerbated by increased competition in a highly liquid market. The share of profits from associates fell significantly to Rs 70.3 million (2016: Rs370.9 million) resulting in Fincorp’s consolidated profit after tax falling to Rs 82.0 million (2016: Rs 382.4 million).

The share of profits from associates returned to normalised levels during this financial year after the profit of its associate Promotion and Development Limited (“PAD”) benefited from a number of non-recurrent transactions in the previous financial year, totalling some Rs 690 million, and which contributed some Rs 320 million to the group results of Fincorp for the year ended 30 June 2016.

At company level, profit after tax amounted to Rs 27.4 million, a drop of Rs36.4 million compared to last year. This is due to the fact that the dividends of Finlease amounting to Rs 40.0 million in relation to the financial year ended 30 June 2017 were declared on 17 July 2017 and will therefore be accounted for by Fincorp as revenue in the next financial year instead of the financial year ended 30 June 2017.

The Board has approved on the 17 July 2017 a final dividend of Re0.60 per share for the financial year ended 30 June 2017.

FINLEASE COMPANY LIMITED

During the year under review, Finlease achieved marginal growth in its activities, with Finance Leases contracting by 2.3% to reach Rs 3.8 billion while Operating Leases increased by 27% to stand at Rs 600 million. Overall, total lease portfolio (finance and operating leases altogether) increased by 1% to reach Rs 4.4 billion.

Operating Income, after taking into account the depreciation charges relating to the Operating Leases, increased by Rs 18.3 million, up 13% compared to the increase of 1% in the total lease portfolio. This performance is mainly explained by (a) a compensation fee of Rs 14.0 million received from State Investment Corporation in respect of claims for funds not disbursed under the previous Lease Equipment and Modernisation Scheme (of which Rs10.0 million was recognised in this financial year’s revenue); and (b) a drop in our cost of funding as some of the more expensive deposits mobilised a few years ago have now matured and been repaid.

At the same time, the Operating Costs of Finlease (excluding the depreciation charges relating to the Operating Leases) increased by some Rs 39.7 million, driven by impairment costs up by Rs 25.7 million. This reflects the increase in Non Performing Loan (NPL) rate from 2.4% as at 30 June 2016 to 2.9% as at 30 June 2017.

In view of the above, profit before tax fell by Rs 15.5 million (from Rs 66.1 million to Rs 50.6 million) whilst profit after tax fell by Rs 5.9 million (from Rs 51.8 million to Rs 45.9 million) after benefiting from the recognition of deferred tax assets relating to the significant increase in specific provisions and impairment charges.

Report of the Directors *(Continued)*

ASSOCIATED COMPANIES

PAD, in which Fincorp has a 46.4% stake, is an investment company with strategic assets that include:

- a 71% stake in Caudan Development Ltd ("Caudan"), a quoted company which owns and manages a large waterfront property in Port Louis; and
- a minority holding of 35% in Medine Ltd ("Medine"), a sugar-based entity with substantial real estate interests.

The share of profits from PAD amounting to Rs 66.3 million (2016: Rs 370.2 million) returned to normalised levels during this financial year. PAD benefited from a number of non-recurrent transactions in the last financial year, totalling some Rs690 million, and contributing some Rs 320 million to the Group results of Fincorp for the year ended 30 June 2016. The non-recurrent revenues generated by PAD in 2016 comprised principally of the profit generated from the disposal of shares of New Mauritius Hotels Limited giving rise to a surplus of Rs 363 million and the fair value revaluation of Medine's investment properties that resulted in PAD's share of profit of associates increasing by an amount of Rs 211 million.

Fincorp's share of profits of PAD for the financial year 2016/17 of Rs 66.3 million improved compared to that generated last year (amounting to Rs50.9 million after excluding the non-recurring items). The better performance reflects the encouraging results of Caudan attributable mainly to the increased occupancy, both with regards to commercial and office units, with Fincorp's share of profits of Caudan increasing from Rs 4 million to Rs 27.9 million. On the other hand, Medine generated lower profits as a result of a drop in forecast sugar prices.

INVESTMENT PORTFOLIO

At company level, Fincorp's portfolio of investments increased by a significant 26.2% during the year, reaching Rs 2,876 million at 30 June 2017, with the value of PAD and Caudan increasing by some 37.1% to Rs 2,223 million.

At Group level, Fincorp's net assets per share amounted to Rs 52.85 at 30 June 2017, an increase of some 7.8% from last year's value of Rs 49.04. The Fincorp share however continues to trade at a substantial discount to net asset value, of 53% (2016: 60%) based on the market value of Rs 24.70 on the Stock Exchange as at 30 June 2017 (2016: Rs 19.40).

	Value of Investments 30.06.2017		Value of Investments 30.06.2016	
	Rs'm	%	Rs'm	%
Subsidiary Company				
Shares in Finlease Co. Ltd.	**200.0**	**6.95**	200.0	8.80
Associated Companies				
Shares in Promotion and Development Ltd.	**2,111.2**	**73.41**	1,569.9	69.06
Shares in Caudan Development Ltd.	**112.1**	**3.90**	52.0	2.29
	2,223.3	**77.31**	1,621.9	71.35
Other Investments				
Shares in Le Refuge du Pêcheur Ltd.	**203.7**	**7.08**	203.7	8.96
Shares in Mauritius Freeport Development Co. Ltd.	**236.3**	**8.22**	230.6	10.14
Other Investments	**12.7**	**0.44**	17.1	0.75
	452.7	**15.74**	451.4	19.85
	2,876.0	**100.00**	2,273.3	100.00

PROSPECTS

While Group results will to a large extent depend on the real estate activities of the PAD Group, which can greatly vary from one year to the next, the Board feels that all of Fincorp's main investments are financially healthy and in a position from which value should be unlocked in the medium term.

Report of the Directors *(Continued)*

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors acknowledge their responsibilities for:

(i) adequate accounting records and maintenance of effective internal control systems;

(ii) the preparation of financial statements which fairly present the state of affairs of the Company as at the end of the financial year and the results of its operations and cashflows for that period and which comply with International Financial Reporting Standards (IFRS); and

(iii) the selection of appropriate accounting policies supported by reasonable and prudent judgements.

The external auditors are responsible for reporting on whether the financial statements are fairly presented.

The directors report that:

(i) adequate accounting records and an effective system of internal controls and risk management have been maintained;

(ii) appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently;

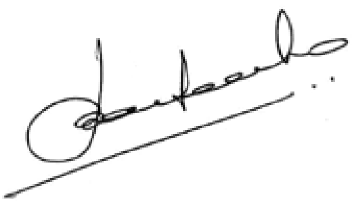
(iii) International Financial Reporting Standards have been adhered to;

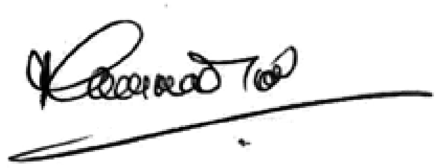
(iv) the need to have an internal audit function has been reviewed and the Board considered that the Company having no workforce, an internal audit function is not relevant presently; and

(v) the Code of Corporate Governance has been adhered to in all material aspects and reasons have been provided where there has not been compliance.

Signed by

For and on behalf of the Board of Directors





Jean -Pierre MONTOCCHIO

Chairman

Sunil BANYMANDHUB

Director

Date: 29th September 2017

Company Secretary's Certificate

I certify that, to the best of my knowledge and belief, the Company has filed with the Registrar of Companies all such returns as are required of the Company under the Companies Act 2001 in terms of section 166(d).

MCB Registry & Securities Ltd
Company Secretary
Sir William Newton Street
Port Louis

Port Louis
Mauritius

29th September 2017

Statement of Compliance

STATEMENT OF COMPLIANCE

(Section 75(3) of the Financial Reporting Act)

Name of Public Interest Entity('the PIE'): Fincorp Investment Ltd

Reporting Period: 1 July 2016 to 30 June 2017

We, the Directors of Fincorp Investment Ltd , confirm , to the best of our knowledge, that the Company has complied with all its obligations and requirements under the Code of Corporate Governance for Mauritius except for Sections 2.2.3, 2.10, 3.9.2, 3.9.6 and 5.3.1. The reasons for non-compliance are detailed on pages 2, 3 and 8 of the Annual Report.

Jean-Pierre MONTOCCHIO	Sunil BANYMANDHUB
Chairman	**Director**

Port Louis
Mauritius

29th September 2017

Independent Auditors' Report
To The Members of Fincorp Investment Limited

This report is made solely to the members of Fincorp Investment Limited (the "Company"), as a body, in accordance with Section 205 of the Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Report on the audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Fincorp Investment Ltd and its subsidiary (the Group), and the Company's separate financial statements on pages 22 to 69 which comprise the statements of financial position as at June 30, 2017, and the statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements on pages 22 to 69 give a true and fair view of the financial position of the Group and of the Company as at June 30, 2017, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group and of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Mauritius, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Impairment loss on finance lease receivables

Key Audit Matter

The Group is engaged in finance lease activities on which impairment allowances are provided for. Impairment allowances represent management's best estimates of the losses incurred within the leases portfolio at the end of the reporting period. They are calculated on a collective and individual basis. The calculation of both collective and individual impairment allowances is inherently judgemental.

The audit was focused on impairment due to the subjective nature of the calculation.

Related Disclosures

Refer to note 12, note 2(j) accounting policies, note 3(a) Credit risk and note 5 critical accounting estimates and judgements of the accompanying financial statements.

Audit Response

- We assessed the design and operating effectiveness of the controls over impairment data and calculations.
- We checked the adequacy and completeness of ageing report (re past dues) for identification of impaired lease receivables.
- We verified and recomputed the allowances for impairment in compliance with IFRS and Bank of Mauritius guideline.
- We checked the reasonableness of the data and assumptions, including external surveyor's report, discount applied and assessment of recoverability.

Other information

The Directors are responsible for the other information. The other information comprises the report of the directors, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group and the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.
- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Companies Act 2001

We have no relationship with, or interests in, the Company or its subsidiary, other than in our capacity as auditors, and dealings in the ordinary course of business.

We have obtained all information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Financial Reporting Act 2004

The Directors are responsible for preparing the corporate governance report. Our responsibility is to report the extent of compliance with the Code of Corporate Governance as disclosed in the annual report and on whether the disclosure is consistent with the requirements of the Code.

In our opinion, the disclosure in the annual report is consistent with the requirements of the Code.

BDO & Co

BDO & CO
Chartered Accountants

Ameenah Ramdin, FCCA, ACA
Licensed by FRC

Port Louis,
Mauritius.
September 29, 2017.

Statements of Financial Position

As at 30th June 2017

		GROUP		COMPANY	
		2017	2016	**2017**	2016
	Notes	**Rs'000**	Rs'000	**Rs'000**	Rs'000
ASSETS EMPLOYED					
NON-CURRENT ASSETS					
Intangible assets	6	**30,077**	33,833	**-**	-
Property, plant and equipment	7	**600,287**	472,696	**-**	-
Investments in associates	8	**5,317,033**	4,949,657	**2,223,313**	1,621,927
Investment in subsidiary	9	**-**	-	**200,000**	200,000
Investment securities - available-for-sale	10	**452,703**	451,419	**452,703**	451,419
Loan receivable	11	**299,908**	301,264	**405,479**	403,848
Finance lease receivables	12	**2,485,310**	2,571,865	**-**	-
Deposits with financial institutions		**220,803**	212,641	**-**	-
		9,406,121	8,993,375	**3,281,495**	2,677,194
CURRENT ASSETS					
Finance lease receivables	12	**1,307,431**	1,307,840	**-**	-
Other receivables	13	**62,297**	54,922	**49,704**	95,975
Current tax asset		**-**	-	**41**	-
Bank balances		**284,000**	139,507	**-**	-
		1,653,728	1,502,269	**49,745**	95,975
CURRENT LIABILITIES					
Bank overdrafts	14(a)	**804,406**	768,460	**804,406**	768,460
Deposits		**760,738**	722,707	**-**	-
Borrowings	14(b)	**252,800**	259,318	**-**	-
Other payables	15	**107,605**	40,805	**2,614**	2,366
Current tax liabilities		**1,657**	2,697	**-**	282
Proposed dividend	22	**-**	62,013	**-**	62,013
		1,927,206	1,856,000	**807,020**	833,121
NET CURRENT LIABILITIES		**(273,478)**	(353,731)	**(757,275)**	(737,146)
		9,132,643	8,639,644	**2,524,220**	1,940,048
FINANCED BY					
SHARE CAPITAL	16(a)	**103,355**	103,355	**103,355**	103,355
RETAINED EARNINGS		**1,968,113**	1,824,343	**34,058**	6,603
OTHER COMPONENTS OF EQUITY		**3,391,187**	3,140,603	**2,086,899**	1,528,826
SHAREHOLDERS' INTERESTS		**5,462,655**	5,068,301	**2,224,312**	1,638,784
NON-CURRENT LIABILITIES					
Deposits		**3,041,260**	2,717,590	**-**	-
Borrowings	14(b)	**609,401**	829,104	**299,908**	301,264
Deferred tax liabilities	23	**19,327**	24,649	**-**	-
		3,669,988	3,571,343	**299,908**	301,264
		9,132,643	8,639,644	**2,524,220**	1,940,048
NET ASSETS PER SHARE	Rs.	**52.85**	49.04	**21.52**	15.86

These financial statements were approved for issue by the Board of Directors on 29th September 2017.

Herbert Couacaud
Director

Sunil BANYMANDHUB
Director

The notes on pages 28 to 69 form part of these financial statements.

Auditors' report on pages 17 to 21.

Statements of Profit or Loss

Year ended 30th June 2017

	Notes		GROUP		COMPANY	
			2017	2016	**2017**	2016
			Rs'000	Rs'000	**Rs'000**	Rs'000
Revenue	2(e)		**497,234**	464,246	**82,173**	116,723
Other income	17		**195,341**	151,517	**71,232**	105,260
Profit/(Loss) on exchange			**99**	(69)	**99**	(69)
Finance income	18		**304,595**	312,729	**13,643**	11,463
Finance costs	18		**(254,099)**	(255,329)	**(53,892)**	(48,467)
Operating expenses	19		**(185,988)**	(163,686)	**(2,809)**	(3,254)
Operating profit before impairment			**59,948**	45,162	**28,273**	64,933
Net impairment of financial assets	12(c)		**(42,793)**	(17,145)	**-**	-
Operating profit			**17,155**	28,017	**28,273**	64,933
Share of profits of associates			**70,337**	370,869	**-**	-
Profit before tax	20		**87,492**	398,886	**28,273**	64,933
Income tax expense	21		**(5,508)**	(16,508)	**(818)**	(1,115)
Profit attributable to equity holders of the parent			**81,984**	382,378	**27,455**	63,818
Earnings per share	24	Rs.	**0.79**	3.70	**0.27**	0.62

The notes on pages 28 to 69 form part of these financial statements.
Auditors' report on pages 17 to 21.

Statements of Comprehensive Income

Year ended 30th June 2017

		GROUP		COMPANY	
		2017	2016	**2017**	2016
	Note	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Profit attributable to equity holders of the parent		**81,984**	382,378	**27,455**	63,818
Other comprehensive income/(expense):					
Items that will not be reclassified to profit or loss:					
Share of other comprehensive (expense)/income of associates	8	**(7,286)**	661,408	**-**	-
Items that may be reclassified subsequently to profit or loss:					
Net fair value gain/(loss) on investments in associates		**-**	-	**547,991**	(117,018)
Net fair value gain/(loss) on available-for-sale investments		**10,082**	(33,368)	**10,082**	(33,368)
Share of other comprehensive income of associates	8	**242,148**	381,794	**-**	-
		252,230	348,426	**558,073**	(150,386)
Other comprehensive income/(expense) for the year		**244,944**	1,009,834	**558,073**	(150,386)
Total comprehensive income/(expense) attributable to equity holders of the parent		**326,928**	1,392,212	**585,528**	(86,568)

The notes on pages 28 to 69 form part of these financial statements.

Auditors' report on pages 17 to 21.

Statement of Changes in Equity

Year ended 30th June 2017

GROUP	Note	Share Capital Rs'000	Retained Earnings Rs'000	Capital Reserve Rs'000	Revaluation & Other Reserve Rs'000	Statutory Reserve Rs'000	General Risk Reserve Rs'000	Total Rs'000
At 1st July 2015		**103,355**	**1,571,915**	**377,850**	**1,598,859**	**71,481**	**14,642**	**3,738,102**
Profit for the year		-	382,378	-	-	-	-	382,378
Other comprehensive (expense)/income for the year		-	-	(18)	1,009,852	-	-	1,009,834
Total comprehensive income/ (expense) for the year		-	382,378	(18)	1,009,852	-	-	1,392,212
Share of transfer by associate		-	5,544	-	(5,544)	-	-	-
Share of other movements in reserves of associate		-	(60,691)	-	60,691	-	-	-
Dividends	22	-	(62,013)	-	-	-	-	(62,013)
Transfer to statutory reserve		-	(7,774)	-	-	7,774	-	-
Transfer to general risk reserve		-	(5,016)	-	-	-	5,016	-
At 30th June 2016		**103,355**	**1,824,343**	**377,832**	**2,663,858**	**79,255**	**19,658**	**5,068,301**
Profit for the year		**-**	**81,984**	**-**	**-**	**-**	**-**	**81,984**
Other comprehensive (expense)/income for the year		**-**	**(8,024)**	**(38)**	**253,006**	**-**	**-**	**244,944**
Total comprehensive income/ (expense) for the year		**-**	**73,960**	**(38)**	**253,006**	**-**	**-**	**326,928**
Share of transfer by associate		**-**	**10,306**	**-**	**(10,306)**	**-**	**-**	**-**
Share of changes in ownership interests of associate's subsidiary		**-**	**69,616**	**-**	**-**	**-**	**-**	**69,616**
Effect of employee share options exercised in associate		**-**	**(2,955)**	**-**	**856**	**-**	**-**	**(2,099)**
Share of other movements in reserves of associate		**-**	**(91)**	**-**	**-**	**-**	**-**	**(91)**
Transfer to statutory reserve		**-**	**(7,066)**	**-**	**-**	**7,066**	**-**	**-**
At 30th June 2017		**103,355**	**1,968,113**	**377,794**	**2,907,414**	**86,321**	**19,658**	**5,462,655**

The notes on pages 28 to 69 form part of these financial statements.

Auditors' report on pages 17 to 21.

Statement of Changes in Equity

Year ended 30th June 2017

COMPANY	Note	**Share Capital** Rs'000	**Retained Earnings** Rs'000	**Capital Reserve** Rs'000	**Revaluation & Other Reserve** Rs'000	**Total** Rs'000
At 1st July 2015		**103,355**	**4,798**	**100,596**	**1,578,616**	**1,787,365**
Profit for the year		-	63,818	-	-	63,818
Other comprehensive expense for the year		-	-	-	(150,386)	(150,386)
Total comprehensive income/(expense) for the year		-	63,818	-	(150,386)	(86,568)
Dividends	22	-	(62,013)	-	-	(62,013)
At 30th June 2016		**103,355**	**6,603**	**100,596**	**1,428,230**	**1,638,784**
Profit for the year		**-**	**27,455**	**-**	**-**	**27,455**
Other comprehensive income for the year		**-**	**-**	**-**	**558,073**	**558,073**
Total comprehensive income for the year		**-**	**27,455**	**-**	**558,073**	**585,528**
At 30th June 2017		**103,355**	**34,058**	**100,596**	**1,986,303**	**2,224,312**

The notes on pages 28 to 69 form part of these financial statements.

Auditors' report on pages 17 to 21.

Statements of Cash Flows

Year ended 30th June 2017

	GROUP		COMPANY	
	2017	2016	**2017**	2016
	Rs'000	Rs'000	**Rs'000**	Rs'000
OPERATING ACTIVITIES				
Cash received from investments	**63,522**	45,222	**113,522**	100,222
Interest received	**12,083**	18,809	**10,656**	15,271
Net cash inflow from leasing activities	**484,664**	212,667	**-**	-
Net increase in deposits	**361,701**	459,423	**-**	-
Other cash payments	**(1,182)**	(1,174)	**(1,182)**	(2,298)
Cash inflow generated from operations	**920,788**	734,947	**122,996**	113,195
Interest paid	**(242,843)**	(313,217)	**(53,893)**	(48,467)
Net cash flows from operating activities	**677,945**	421,730	**69,103**	64,728
TAXATION				
Income tax paid	**(11,870)**	(6,429)	**(1,141)**	(1,464)
INVESTING ACTIVITIES				
Purchase of property, plant and equipment	**(285,605)**	(169,270)	**-**	-
Purchase of intangible assets	**(245)**	(34,451)	**-**	-
Increase in deposits with financial institutions	**-**	(100,000)	**-**	-
Proceeds from sale of available-for-sale investment	**11,500**	-	**11,500**	-
Exercise of rights in associate	**(53,395)**	-	**(53,395)**	-
Proceeds from sale of plant and equipment	**38,439**	39,432	**-**	-
Proceeds from sale of repossessed leased assets	**18,655**	8,939	**-**	-
Net cash flows from investing activities	**(270,651)**	(255,350)	**(41,895)**	-
NET CASH FLOWS BEFORE FINANCING ACTIVITIES	**395,424**	159,951	**26,067**	63,264
FINANCING ACTIVITIES				
Grant of loan to subsidiary	**-**	-	**-**	(75,000)
Net decrease in borrowings	**(224,864)**	(297,782)	**-**	-
Dividends paid	**(62,013)**	(62,013)	**(62,013)**	(62,013)
Net cash flows from financing activities	**(286,877)**	(359,795)	**(62,013)**	(137,013)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**108,547**	(199,844)	**(35,946)**	(73,749)
CASH AND CASH EQUIVALENTS AT 1ST JULY	**(628,953)**	(429,109)	**(768,460)**	(694,711)
CASH AND CASH EQUIVALENTS AT 30TH JUNE	**(520,406)**	(628,953)	**(804,406)**	(768,460)
Cash and Cash Equivalents are made up as follows:				
Bank balances	**284,000**	139,507	**-**	-
Bank overdrafts	**(804,406)**	(768,460)	**(804,406)**	(768,460)
	(520,406)	(628,953)	**(804,406)**	(768,460)

The notes on pages 28 to 69 form part of these financial statements.
Auditors' report on pages 17 to 21.

1. INCORPORATION AND ACTIVITIES

Fincorp Investment Limited ("the Company") is a public company incorporated in Mauritius and listed on the Stock Exchange of Mauritius. Its registered office is situated at 9-15, Sir William Newton Street, Port Louis, Mauritius. The main activities of the Company and its subsidiary ("the Group") are those of a group which invests in priority in the financial services sector, provide leases for equipment and motor vehicles and takes deposit.

These financial statements will be submitted for consideration and approval at the forthcoming Annual Meeting of shareholders of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The financial statements comply with the Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards (IFRS).

The financial statements include the consolidated financial statements of parent company and its subsidiary company ("the Group") and the separate financial statements of the parent company ("the Company"). The financial statements are presented in Mauritian Rupees and all values are rounded to the nearest thousand (Rs 000), except when otherwise indicated.

The Group and the Company had net current liabilities of MUR 273M (2016: MUR 354M) and MUR 757M (2016: MUR 737M) respectively at 30 June, 2017. The Board is satisfied that the Group and the Company have the resources to meet their liabilities in foreseeable future. Furthermore, the Board is not aware of any uncertainties that may cast significant doubt upon the Group's and the Company's ability to continue as a going concern. The financial statements are prepared on a going concern basis.

Where necessary, comparative figures have been amended to conform with change in presentation in the current year. The financial statements are prepared under the historical cost convention, except that available-for-sale securities and land held through associates are stated at their fair value.

Standards, Amendments to published Standards and Interpretations effective in the reporting period

IFRS 14 Regulatory Deferral Accounts provides relief for first-adopters of IFRS in relation to accounting for certain balances that arise from rate-regulated activities ('regulatory deferral accounts'). IFRS 14 permits these entities to apply their previous accounting policies for the recognition, measurement, impairment and derecognition of regulatory deferral accounts. The standard is not expected to have any impact on the Group's financial statements.

Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11). The amendments clarify the accounting for the acquisition of an interest in a joint operation where the activities of the operation constitute a business. They require an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a business. Existing interests in the joint operation are not remeasured on acquisition of an additional interest, provided joint control is maintained. The amendments also apply when a joint operation is formed and an existing business is contributed. The amendment has no impact on the Group's financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of preparation (cont'd)

Standards, Amendments to published Standards and Interpretations effective in the reporting period (cont'd)

Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38). The amendments clarify that a revenue-based method of depreciation or amortisation is generally not appropriate. Amendments clarify that a revenue-based method should not be used to calculate the depreciation of items of property, plant and equipment. IAS 38 now includes a rebuttable presumption that the amortisation of intangible assets based on revenue is inappropriate. This presumption can be overcome under specific conditions. The amendment has no impact on the Group's financial statements.

Equity method in separate financial statements (Amendments to IAS 27). The amendments allow entities to use the equity method in their separate financial statements to measure investments in subsidiaries, joint ventures and associates. IAS 27 currently allows entities to measure their investments in subsidiaries, joint ventures and associates either at cost or at fair value in their separate financial statement. The amendments introduce the equity method as a third option. The election can be made independently for each category of investment (subsidiaries, joint ventures and associates). Entities wishing to change to the equity method must do so retrospectively. The amendment has no impact on the Group's financial statements.

Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41). IAS 41 now distinguishes between bearer plants and other biological asset. Bearer plants must be accounted for as property plant and equipment and measured either at cost or revalued amounts, less accumulated depreciation and impairment losses. The amendment has no impact on the Group's financial statements.

Annual Improvements to IFRSs 2012-2014 cycle

- IFRS 5 is amended to clarify that when an asset (or disposal group) is reclassified from 'held for sale' to 'held for distribution' or vice versa, this does not constitute a change to a plan of sale or distribution and does not have to be accounted for as such. The amendment has no impact on the Group's financial statements.

- IFRS 7 amendment provides specific guidance for transferred financial assets to help management determine whether the terms of a servicing arrangement constitute 'continuing involvement' and, therefore, whether the asset qualifies for derecognition. The amendment has no impact on the Group's financial statements.

- IFRS 7 is amended to clarify that the additional disclosures relating to the offsetting of financial assets and financial liabilities only need to be included in interim reports if required by IAS 34. The amendment has no impact on the Group's financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of preparation (cont'd)

Standards, Amendments to published Standards and Interpretations effective in the reporting period (cont'd)

Annual Improvements to IFRSs 2012-2014 cycle (cont'd)

- IAS 19 amendment clarifies that when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important and not the country where they arise. The amendment has no impact on the Group's financial statements.
- IAS 34 amendment clarifies what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report' and adds a requirement to cross-reference from the interim financial statements to the location of that information. The amendment has no impact on the Group's financial statements.

Disclosure Initiative (Amendments to IAS 1). The amendments to IAS 1 provide clarifications on a number of issues. An entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance. Line items specified in IAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals. Confirmation that the notes do not need to be presented in a particular order. The share of OCI arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of other comprehensive income.

Investment entities: Applying the consolidation exception (Amendments to IFRS 10, IFRS 12 and IAS 28). The amendments clarify that the exception from preparing consolidated financial statements is also available to intermediate parent entities which are subsidiaries of investment entities. An investment entity should consolidate a subsidiary which is not an investment entity and whose main purpose and activity is to provide services in support of the investment entity's investment activities. Entities which are not investment entities but have an interest in an associate or joint venture which is an investment entity have a policy choice when applying the equity method of accounting. The fair value measurement applied by the investment entity associate or joint venture can either be retained, or a consolidation may be performed at the level of the associate or joint venture, which would then unwind the fair value measurement. The amendment has no impact on the Group's financial statements.

Standards, Amendments to published Standards and Interpretations issued but not yet effective

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after January 1, 2017 or later periods, but which the Group has not early adopted.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of preparation (cont'd)

Standards, Amendments to published Standards and Interpretations issued but not yet effective (cont'd)

At the reporting date of these financial statements, the following were in issue but not yet effective:

IFRS 9 Financial Instruments

IFRS 15 Revenue from Contract with Customers

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

IFRS 16 Leases

Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12)

Amendments to IAS 7 Statement of Cash Flows

Clarifications to IFRS 15 Revenue from Contracts with Customers

Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)

Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments to IFRS 4)

Annual Improvements to IFRSs 2014-2016 Cycle

IFRIC 22 Foreign Currency Transactions and Advance Consideration

Transfers of Investment Property (Amendments to IAS 40)

IFRS 17 Insurance Contracts

IFRIC 23 Uncertainty over Income Tax Treatments

Where relevant, the Group is still evaluating the effect of these Standards, amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements.

New and amended standards not yet adopted by the Group

Certain new accounting standard and interpretations have been published that are not mandatory for 30 June 2017 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and interpretations is set out below.

(i) IFRS 9 Financial Instruments

IFRS 9 Financial Instruments ("IFRS 9") addresses the classification, measurement and derecognition of financial assets and liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments.

IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income and not recycling.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of preparation (cont'd)

Standards, Amendments to published Standards and Interpretations issued but not yet effective (cont'd)

New and amended standards not yet adopted by the Group (cont'd)

The new impairment model, under IFRS 9, requires the recognition of impairment provisions based on expected credit losses (ECL) rather than only incurred credit losses as is the case under IAS 39. It applies to financial assets classified at amortised cost, debt instruments measured at FVOCI, contract assets under IFRS 15 *Revenue from Contracts with Customers*, lease receivables, lease commitments and certain financial guarantee contracts.

The classification and measurement and impairment requirements are applied retrospectively by adjusting the opening statement of financial position at the date of initial application, with no requirement to restate comparative periods.

The Group is not expecting any significant impact on its statement of financial position except for the effect of applying the impairment requirements of IFRS 9. The directors are currently assessing the impact of IFRS 9 on the financial statements.

IFRS 15 Revenue from contracts with customers

IFRS 15 *Revenue from contracts with customers* ("IFRS 15") deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 *Revenue* and IAS 11 *Construction Contracts* and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted. The directors are currently assessing the impact of IFRS 15.

IFRS 16 Leases

IFRS 16 *Leases* ("IFRS 16") was issued in January 2016 and will be effective for financial years commencing on or after 1 January 2019. It will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low –value leases.

The accounting for lessors will not significantly change.

At this stage, the Group has not yet determined the impact of these amendments and does not intend to adopt them before its effective date.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Basis of consolidation

Investment in subsidiary

Separate financial statements of the Company

In the separate financial statements of the Company, investments in subsidiary company is carried at cost. The carrying amount is reduced to recognise any impairment in the value of individual investments.

Consolidated financial statements

Subsidiaries are all entities (including special purpose entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has the rights to, variable returns from its involvement with the entity and has ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interests in the acquiree either at fair value or at the non-controlling interests' proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interests in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree (if any) over the fair value of the Group's share of identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss as a bargain purchase gain.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Transactions and non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Investments in associates

Separate financial statements of the Company

In the separate financial statements of the Company, investments in associated companies are carried at fair value. The carrying amount is reduced to recognise any impairment in the value of individual investments.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Investments in associates (cont'd)

Consolidated financial statements

An associate is an entity over which the Group has significant influence but not control, or joint control, generally accompanying a shareholding between 20% and 50% of voting rights.

Investments in associates are accounted using the equity method of accounting except when classified as held-for-sale. Investments in associates are initially recognised at cost as adjusted by post acquisition changes in the group's share of net assets of the associate less any impairment in the value of individual investments.

Any excess of the cost of acquisition and the Group's share of the net fair value of the associate's identifiable assets and liabilities recognised at the date of acquisition is recognised as goodwill, which is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of identifiable assets and liabilities over the cost of acquisition, after assessment, is included as income in the determination of the Group's share of the associate's profit or loss.

When the Group's share of losses exceeds its interest in an associate, the Group discontinues recognising further losses, unless it has incurred legal or constructive obligation or made payments on behalf of the associate.

Unrealised profits and losses are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The Group profit or loss reflects the Group's share of post-tax profits of associates.

Where necessary, appropriate adjustments are made to the financial statements of associates to bring the accounting policies used in line with those adopted by the Group.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in the other comprehensive income are reclassified to the profit or loss where appropriate. Dilution gains and losses arising in associates are recognised in profit or loss.

(d) Revenue

Revenue includes investment income, gross rental income under finance and operating leases and management fees receivable.

- Gross rental income receivable under finance leases and income receivable from operating leases are net of value added taxes and discounts, after deducting the relevant amounts for cancelled leases.
- Interest income is recognised in the profit or loss for all interest bearing instruments on an accrual basis taking into account the effective yield on the asset or liability.
- Interest income includes interest on finance leases, coupons earned on fixed income investment and trading securities and accrued discount and premium on treasury bills.
- Finance lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return on the net investment amount outstanding on the finance leases.
- Operating lease income is recognised over the term of the lease using the straight line method.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Revenue (cont'd)

- Other revenues earned by the Group are recognised on the following bases:

Fees and commissions:	on an accrual basis
Dividend income:	where the Group's rights to receive payment is established

Interest income and expense

Interest income is recognised using the effective interest method, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses.

The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

(e) Processing fees

Processing fees are generally recognised on an accrual basis when the service has been provided. Lease commitment fees for leases that are likely to be drawn down are deferred (together with related direct costs) and recognised as an adjustment to the effective interest rate on the lease.

(f) Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements are measured using Mauritian rupee , the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated financial statements are presented in Mauritian rupees, which is the Group's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Foreign currencies (cont'd)

(ii) Transactions and balances (cont'd)

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within finance income or cost. All other foreign exchange gains or losses are presented in profit or loss within other (losses)/gains - net.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date the fair value was determined.

(g) Plant and equipment

(i) Recognition and measurement

Items of plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

If significant parts of an item of plant and equipment have different useful lives, then they are accounted for as separate items (major components) of equipment.

Any gain or loss on disposal of an item of plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in the statement of profit or loss and other comprehensive income.

When the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

(ii) Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

(iii) Depreciation

Depreciation is calculated to write off the cost of items of equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(iii) Depreciation (cont'd)

The estimated useful lives of significant equipment are as follows:

Office equipment	5 years
Computer equipment	3 years
Furniture & Fittings	5 years
Motor vehicles	5 – 7 years
Plant and equipment	3 – 7 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

(iv) Assets under operating leases

Assets under operating leases are depreciated over their expected useful lives net of any residual value.

(h) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(i) Intangible assets

Software

Acquired computer software licences are capitalised on the basis of costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 3 to 10 years.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Intangible assets (cont'd)

Software (cont'd)

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads. Other development expenditure that does not meet these criteria are recognised as an expense and are not recognised as an asset in a subsequent year.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(j) Financial assets

(a) Categories of financial assets

Financial assets are recognised on the Group's statement of financial position when the Group has become a party to the contractual provisions of the instrument. The Group classifies its financial assets as held-to-maturity investments. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its financial assets at initial recognition.

(i) <u>Loans and receivables</u>

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than:

a. those that the Group intends to sell immediately or in the short term, which are classified as held for trading, and those that the Group upon initial recognition designates as at fair value through profit or loss;

b. those that the Group upon initial recognition designates as available-for-sale and;

c. those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Financial assets (cont'd)

(i) Loans and receivables (cont'd)

This classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at the end of every reporting period.

Loans and receivables are initially recognised at fair value – which is the cash consideration to originate or purchase the loan including any transaction costs – and measured subsequently at amortised cost using the effective interest method.

(ii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the company's management has the positive intention and ability to hold to maturity. Held-to-maturity investments are recognised initially at fair value plus directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

(iii) Available -for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within twelve months of the end of the reporting period.

(b) Recognition and measurement

Purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Investments are initially measured at fair value plus transaction costs.

The annual amortisation of any discount or premium on the acquisition of a held-to-maturity security is aggregated with other investment income receivable over the term of the instrument so that the revenue recognised in each period represents a constant yield on the investment.

(i) Recognition and derecognition of financial assets

Regular purchases or sales of financial assets are recognised on the trade date on which the Group commits to purchase or sell the asset. The Group's loans and receivables are initially recognised at fair value - which is the cash consideration to originate or purchase the loan - plus transaction costs. They are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risk and rewards of ownership.

Notes to the Financial Statements (Continued)

Year ended 30th June 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Financial assets (cont'd)

(ii) Impairment of financial assets (carried at amortised cost)

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:
- Significant financial difficulty of the issuer or the obliger;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- Significant cash flow or financial difficulties experienced by the borrower (for example, equity ratio, net income percentage of sales);
- Breach of lease agreements or conditions;
- The lender for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- Initiation of bankruptcy proceedings by the borrower;
- Deterioration of the borrower's competitive position;
- Deterioration in the value of collateral; and
- Observable data indicating that there is a reasonable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:
  - Adverse change in the payment status of borrowers in the portfolio; and
  - Natural or local economic conditions that correlate with defaults in the assets of that portfolio.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss.

Notes to the Financial Statements *(Continued)*

Year ended 30th June 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Financial assets (cont'd)

(ii) Impairment of financial assets (carried at amortised cost) (cont'd)

Leases to customers

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

An allowance for impairment is established if there is objective evidence that the Group will not be able to collect the amount due according to the original contractual terms of the lease. The amount of impairment loss on loans and receivables, comprising mainly of financial leases to customers carried at amortised cost is the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of profit or loss and other comprehensive income.

The calculation of present value of the estimated future cash flows of a collateralised financial asset reflects the cash flows that may result from foreclosure less costs for obtaining or selling the collateral, whether or not foreclosure is probable.

For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics (e.g. by sector). Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the assets in the group and historical loss experience for assets with credit risk characteristics similar to those in the group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not currently exist.

Under the Bank of Mauritius Guideline on Credit Impairment Measurement and Income Recognition, collective impairment provision shall not be less than one percent of aggregate amount of portfolio assessed leases.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) *Financial assets (cont'd)*

(ii) Impairment of financial assets (carried at amortised cost) (cont'd)

Leases to customers (cont'd)

When a lease is uncollectible, it is written off against the related provision for lease impairment. Such leases are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off decrease the amount of the provision for leases impairment in the statement of comprehensive income.

The Bank of Mauritius Guideline on Credit Impairment Measurement and Income Recognition, updated in July 2016, also directs financial institutions to stand guided by the following minimum requirements with regards to classification and assessment of credit impairment:

Classified Credits	**Specific Provisioning Requirement**
(i) Sub - standard Credit Credit that is currently performing but has weaknesses that throw doubt on the customer's ability to comply with the terms and conditions of the credit, may warrant to be classified as sub - standard. However, when it is impaired and is past due between 90 a nd 180 days, it must, as a minimum, be classified as sub - standard.	20 per cent of (outstanding amount of credit less any net realizable value of applicable collateral)
(ii) Doubtful Credit Credit that is not in arrears or in arrears for less than 180 days, but has weaknesses that make collection in full highly improbable, may warrant to be classified as doubtful. However, when it is impaired and is past due for a period exceeding 180 days bu t less than one year, it must, as a minimum, be classified as doubtful.	50 per cent of (outstanding amount of credit less any net realizable value of applicable collateral)
(iii) Loss Credit classified as loss and uncollectible although there may be s ome salvage or recovery value of security available. Such credit should not be kept on the books of the financial institution for the reason that there might be some recoveries in the long term. An impaired credit that is past due in excess of a year, must be classified as loss.	100 per cent of (outstanding amount of credit less any net realizable value of applicable collateral)

Statutory and other regulatory loan loss reserve requirements that exceed the amounts to be provided under IAS 39 are dealt with in the general risk reserve as an appropriation of retained earnings.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Investment Securities

Investments are classified as available-for-sale. The classification is dependent on the purpose for which the investments were acquired. Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates are classified as available-for-sale.

Purchases and sales of investments are recognised on the trade date which is the date where the Group commits to purchase or sell the asset. Investments are initially measured at fair value plus transaction costs. Available for sale investments are subsequently carried at fair value.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost. The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active, the Group establishes fair value by using valuation techniques, including use of recent arm's length transactions, reference to other instruments that are substantially the same and discounted cash flow analysis.

Unrealised gains and losses arising from changes in fair value of securities classified as available-for-sale are recognised in other comprehensive income. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the profit or loss as gains and losses from investment securities.

The Group assesses at the end of the reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity investments classified as available-for-sale a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss, measured as the difference between acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in profit or loss.

(l) Other receivables

Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

A provision for impairment of other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of provision is recognised in the profit or loss.

(m) Borrowings

Borrowings are recorded initially at fair value being their issue proceeds net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the profit or loss over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

Borrowing costs are recognised in the statement of profit or loss and other comprehensive income in the period in which they occur.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Other payables

Other payables are stated at fair value and subsequently measured at amortised cost using the effective method.

(o) Long term loan receivables

Long term loan receivables with fixed maturity terms are measured at amortised cost using the effective interest rate method, less provision for impairment. The carrying amount of the asset is reduced by the difference between the asset's carrying amount and the present value of estimated cash flows discounted using effective interest rate. The amount of loss is recognised in the profit or loss. Long term receivables without fixed maturity terms are measured at cost.

(p) Cash and cash equivalents

Cash and cash equivalents include balances held with banks deposits held at call with financial institutions, and bank overdrafts.

(q) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as deduction, net of tax, from proceeds.

(r) Current and Deferred income tax

The tax expense for the period comprises of current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax

The current income tax charge is based on taxable income for the year calculated on the basis of tax laws enacted or substantially enacted by the end of the reporting period.

The directors periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred Tax

Deferred income tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Current and Deferred income tax (cont'd)

Deferred Tax (cont'd)

Deferred income tax is determined using tax rates that have been enacted or substantively enacted at the reporting date and are expected to apply in the period when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which deductible temporary differences can be utilised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

In line with the definition within the Income Tax Act 1995, Corporate Social Responsibility (CSR) is regarded as a tax and is therefore subsumed with the income tax shown within profit or loss and the income tax liability on the statement of financial position. The Corporate Social Responsibility (CSR) charge for the current period is measured at the amount expected to be paid to the Mauritian Tax Authorities.

The Company is subject to the Advanced Payment System (APS) whereby it pays income tax on a quarterly basis.

(s) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Board to make decisions about resources to be allocated to the segment and assesses its performance, and for which discrete financial information is available.

Detailed analysis of operating segments are shown in Note 27 to the financial statement.

(t) Provisions

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation. Provisions are not recognised for future operating losses.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(u) Deposits from customers

Deposits are received from individual and corporate clients. Deposits are repayable and derecognised on demand or when the deposits come to maturity.

Deposits are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method.

(v) Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are declared.

(w) Financial liabilities

Financial liabilities carried at amortised cost consist mainly of deposits from customers, borrowings, shareholder's loan and other liabilities. All financial liabilities are recognised initially at fair value and in the case of borrowings, net of transaction costs incurred.

They are subsequently stated at amortised cost; using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well through the effective interest rate method (EIR) amortisation process.

Financial liabilities are derecognised only when the obligation is discharged, cancelled or expired.

(x) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to set off the amounts and intends either to settle on a net basis or realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS, or for gains and losses arising from a group of similar transactions.

(y) Employee benefits

(i) Pension benefits

The Group provides retirement benefits for its employees through a defined contribution plan which is funded by contributions from the Group. Under the defined contribution plan, the Group has no legal or constructive obligation to contribute further to what has been contributed into the fund as defined in the rules of the scheme. Pension contributions are charged to the statement of comprehensive income in the year to which they relate. The Group has an obligation under the current labour laws to pay a severance allowance on retirement of its employees and is allowed to deduct from this severance allowance up to five times the amount of any annual pension granted at retirement age from the said fund.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(y) Employee benefits

The present value of the severance allowance payable under the Employment Rights Act 2008 is calculated annually by independent actuaries using the projected unit credit method. The present value of the severance allowance is determined by the estimated future cash outflows using a discount rate by reference to current interest rates and the yield on bonds and treasury bills and recent corporate debenture issues. Where the present value of the severance allowance payable on retirement is greater than five years of pension payable under the pension plan, the additional severance allowance payable is recognised as a liability and disclosed as unfunded obligations under retirement benefits obligations.

(ii) State pension plan

Contributions to the National Pension Scheme are recognised in profit or loss in the period in which they fall due.

(z) Leases

Operating leases – Group acting as the Lessor

Assets leased out under operating leases are included in plant and equipment in the statement of financial position.

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Assets classified as operating leases are depreciated over their useful lives on a basis consistent with similar fixed assets.

Finance leases – Group acting as the Lessor

(i) Recognition and initial measurement

Assets held under finance leases are derecognised, and a receivable is recognised in the statement of financial position at an amount equal to the net investment in the lease.

Under a finance lease, substantially all the risks and rewards incidental to legal ownership are transferred by the Company, and thus the lease payment receivable is treated by the Company as repayment of principal and interest income to reimburse and reward the lessor for its investment and services.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(z) Leases (cont'd)

Finance leases – Group acting as the Lessor (cont'd)

(i) Recognition and initial measurement (cont'd)

Initial direct costs such as commissions, legal fees and internal costs that are incremental and directly attributable to negotiating and arranging a lease, but excluding general overheads, are included in the initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term. The interest rate implicit in the lease is defined in such a way that the initial direct costs are included automatically in the finance lease receivable; there is no need to add them separately.

(ii) Subsequent measurement

The recognition of interest income shall be based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the finance lease.

The Company aims to allocate interest income over the lease term on a systematic and rational basis. This income allocation is based on a pattern reflecting a constant periodic return on the Company's finance lease .

The Company aims to allocate interest income over the lease term on a systematic and rational basis. This income allocation is based on a pattern reflecting a constant periodic return on the Company's finance lease receivable.

Lease repayments relating to the period, excluding cost for services, are applied against the gross investment in the lease to reduce both the principal and the unearned finance income.

Estimated unguaranteed residual values used in computing the Company's gross investment in a lease are reviewed regularly. If there has been a reduction in the estimated unguaranteed residual value, the income allocation over the lease is revised any reduction in respect of amounts accrued is recognised immediately.

Repossessed assets

Assets repossessed from non-performing clients pending disposals are stated at their net realizable value.

3. FINANCIAL RISK FACTORS

The Group's activities expose it to a variety of financial risks, including:

- Credit risk;
- Market risk;
- Interest rate risk; and
- Liquidity risk.

A description of the significant risk factors is given below together with the risk management policies applicable.

(a) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Group's credit risk is primarily attributable to its receivables. The amounts presented in the Statements of Financial Position are net of allowances for impairment, estimated by management based on prior experience and the current economic environment.

The Group has policies in place to ensure that leases are granted to customers with appropriate credit history.

The Group has policies that limit the amount of credit exposure to any one financial position.

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Lease facilities to customers are monitored and the Group has policies in place to identify defaults and recover amounts due. Leases granted are also effectively secured as the rights to the leased assets revert to the lessor in the event of default. The maximum exposure to credit risk at the reporting date is the fair value of the receivables. Specific provision and portfolio provision are made according to the requirements of the Bank of Mauritius.

3. FINANCIAL RISK FACTORS

(a) *Credit Risk (cont'd)*

(i) Impairment assessment

The main considerations for impairment assessment include whether any payments of principal or interest is overdue by more than 90 days or there are any known difficulties in the cash flows of counterparties or infringements of original terms of contract.

The Group carries out both specific and collective impairment assessments.

Specific assessment

The Group determines the allowances appropriate for each specifically identified lease on an individual basis. Items considered when determining allowance amounts include the ability of the counterparty to meet any repayment plans, availability of future cash flows, the net realizable value of collateral and the timing of the expected cash flows. Impairment losses are evaluated at each quarter end.

The Group has complied with the requirements laid out by the Bank of Mauritius *Guideline on Credit Impairment Measurement and Income Recognition* in making its specific assessment.

Collective assessment

Allowances are assessed collectively for losses on leases where there is not yet objective evidence of individual impairment. Impairment losses are estimated by taking into consideration the following information amongst others: historical losses on the portfolio and current economic conditions.

The portfolio provision for credit losses in respect of finance leases is 1% of the exposure in leases, excluding those leases individually impaired.

(ii) Analysis of credit quality

Leases are summarised as follows:

	2017	2016
	Rs' 000	Rs' 000
Neither past due nor impaired	3,670,522	3,761,884
Past due but not impaired	33,131	39,766
Individually impaired	177,116	133,198
Gross	3,880,769	3,934,848
Less allowance for impairment		
Portfolio allowance	(37,841)	(37,643)
Individual allowance	(50,187)	(17,500)
Net lease receivables	3,792,741	3,879,705

Notes to the Financial Statements *(Continued)*

Year ended 30th June 2017

3. FINANCIAL RISK FACTORS

(a) Credit Risk (cont'd)

Leases past due but not impaired

These are leases where contractual payments are past due but the Group believes that impairment is not appropriate on the basis of the level of security/collateral available and/ or the stage of collection of amounts owed.

Gross amount of leases that were past due but not impaired were as follows:

	2017	2016
	Rs' 000	Rs' 000
Leases		
Up to 3 months	**32,750**	17,216
Over 3 months and up to 6 months	**6**	16,655
Over 6 months and up to 1 year	**7**	3,154
Over 1 year	**368**	2,741
Total	**33,131**	39,766

Leases individually impaired

Impaired leases are those leases for which the Group determines that it is probable that it will be unable to collect all principal and interest due according to the contractual terms of the lease agreement(s).

The table below shows the gross amount of individually impaired assets.

	2017	2016	Collateral held
Leases	Rs' 000	Rs' 000	
Gross Amount	**125,439**	103,211	Vehicles and
Individual allowance	**50,187**	17,500	other equipment

The above amounts have been determined individually based on the probability of default and past experience. Also, there are objective evidences that the Group will not be able to collect all amounts due according to the original terms of the lease agreement. The fair value of collateral for the impaired facilities amounts to Rs 105.3 million (2016: Rs 82.6 million). A specific provision of Rs 50.2 million (2016: Rs 17.5 million) has been made on the impaired receivables.

Notes to the Financial Statements *(Continued)*

Year ended 30th June 2017

3. FINANCIAL RISK FACTORS (CONT'D)

(a) Credit Risk (cont'd)

Write-off policy

The Group writes off a lease balance (and any related allowances for impairment losses) when the Group's management determines that the leases are uncollectible. This determination is reached after considering information such as the occurrence of significant changes in the borrower/issuer's financial position such that the borrower/issuer can no longer pay the obligation, or that proceeds from collateral will not be sufficient to pay back the entire exposure. For smaller leases, charge off decisions generally are based on a product specific past due status.

The Group also holds fixed and floating charges on assets for exposures. For the vast majority of leases, the underlying collateral is the leased asset itself, i.e. the leased equipment and vehicles. The lease facilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

Estimates of fair value are based on the value of collateral assessed at the time of borrowing, and generally are updated every year when a lease is individually assessed as impaired.

Finance leases restructured

The table below shows the carrying amount for restructured leases:

	2017	2016
	Rs' 000	Rs' 000
Finance leases	**8,014**	-

The Group has complied with the requirements of the Bank of Mauritius Guideline on Credit Impairment Measurement and Income Recognition for the treatment of its restructured facilities.

Repossessed assets

Collaterals on finance leases repossessed during the year were as follows:

	2017	2016
	Rs' 000	Rs' 000
Vehicles	**11,340**	10,935
	11,340	10,935

These repossessed collaterals are sold to third parties to recover the investment in the leases. Collaterals possessed are readily convertible into cash.

3. FINANCIAL RISK FACTORS (CONT'D)

(a) Credit Risk (cont'd)

(iii) Maximum exposure to credit risk before collateral and other credit enhancements

The following table presents the maximum exposure at 30 June 2017 and 2016 to credit risk on financial instruments in the statement of financial position, before taking account of any collateral held or other credit enhancements after allowance for impairment and netting where appropriate.

	Maximum exposure	
	2017	2016
	Rs' 000	Rs' 000
Bank balances	**284,000**	139,507
Deposits with financial institutions	**220,803**	212,641
Net finance lease receivables	**3,792,741**	3,879,705
Subordinated loan	**299,908**	301,264
Other receivables	**62,297**	54,922
	4,659,749	4,588,039

For financial assets recognised in the statement of financial position, the exposure to credit risk equals their carrying amount.
Credit risk from balances with banks and financial institutions is considered negligible, since the counterparty is The Mauritius Commercial Bank Limited, which is a reputable bank with high quality external credit rating.

(b) Market Risk - price risk

The Group is exposed to equity securities price risk because of investments held by the Group. This risk is managed by having a diversified portfolio.

A 5% change in the fair value of the Group's quoted investments would impact the Group's equity by Rs123.2m (2016: Rs93.0m).

(c) Interest rate risk

For existing interest bearing assets and liabilities, the Group's income and operating cash flows are mostly independent of changes in market interest rates as the implicit interest rates on leases, interest rates offered to depositors and debenture holders are mostly fixed.

For new ones, the Group ensures that the losses that may be created or reduced following interest margins change are not significant by setting limits on the level of mismatch in interest rate repricing that may be undertaken.

(d) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivery of cash or another financial asset.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding and the ability to close out market positions.

Management monitors rolling forecasts of the Group's liquidity reserve on the basis of expected cash flow and does not foresee any major liquidity risk over the next two years. The objective of liquidity management is to ensure that funds are available or there is assurance of the availability of funds, to honour the Group's cash flow commitments as they fall due, including off-balance sheet outflow commitments in a timely and cost effective manner.

3. FINANCIAL RISK FACTORS (CONT'D)

(d) *Liquidity risk (cont'd)*

	Up to 1 year	1 to 5 years	Over 5 years	Non-maturity items	Total
	Rs' 000	Rs' 000	Rs' 000	Rs' 000	Rs' 000
Maturities of assets and liabilities					
At June 30, 2017					
Assets					
Intangible assets	-	-	-	30,077	30,077
Property, plant and equipment	-	-	-	600,287	600,287
Investments in associates	-	-	-	5,317,033	5,317,033
Investment securities - available-for-sale	-	-	-	452,703	452,703
Loan receivable	-	-	299,908	-	299,908
Finance lease receivables	1,307,431	2,485,310	-	-	3,792,741
Deposits with financial institutions	-	220,803	-	-	220,803
Other receivables	62,297	-	-	-	62,297
Bank balances	284,000	-	-	-	284,000
Total assets	1,653,728	2,706,113	299,908	6,400,100	11,059,849
Liabilities					
Bank overdrafts	804,406	-	-	-	804,406
Deposits	760,738	3,041,260	-	-	3,801,998
Borrowings	252,800	305,905	303,496	-	862,201
Other payables	107,605	-	-	-	107,605
Current tax liabilities	1,657	-	-	-	1,657
Deferred tax liabilities	-	-	-	19,327	19,327
Total liabilities	1,927,206	3,347,165	303,496	19,327	5,597,194
Net liquidity gap	(273,478)	(641,052)	(3,588)	6,380,773	5,462,655
At June 30, 2016					
Total assets	1,502,269	2,746,818	338,952	5,907,605	10,495,644
Total liabilities	1,856,000	3,245,430	301,264	24,649	5,427,343
Net liquidity gap	(353,731)	(498,612)	37,688	5,882,956	5,068,301

(e) *Fair values of financial assets and liabilities*

The fair values of those financial assets and liabilities not presented on the Group's and the Company's Statements of Financial Position at fair values are not materially different from their carrying amounts.

(f) *Fair value hierarchy*

The Group uses hierarchy of valuation techniques based on whether the inputs to these valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Group's market assumptions.

These two types of inputs have created the following fair value hierarchy:
Level 1 : Quoted prices(unadjusted) for identical assets. This level includes listed equity securities.
Level 2 : Inputs other than quoted prices that are observable for the assets.
Level 3 : Inputs for the assets that are not based on observable market data.

Notes to the Financial Statements *(Continued)*

Year ended 30th June 2017

3. FINANCIAL RISK FACTORS (CONT'D)

(g) Currency risk

The Group's foreign currency profile is as follows:

	2017			2016		
	EURO	**GBP**	**USD**	**EURO**	**GBP**	**USD**
	Rs' 000	**Rs' 000**	**Rs' 000**	**Rs' 000**	**Rs' 000**	**Rs' 000**
Assets						
Bank balances	**6,195**	**2**	**6,791**	4,609	4	-
Net lease receivables	**145,689**	**-**	**251,052**	215,113	-	306,171
	151,884	**2**	**257,843**	219,722	4	306,171
Liabilities						
Other liabilities	**-**	**-**	**465**	6,645	1	1,545
Borrowings	**452,360**	**-**	**246,196**	522,868	-	306,154
	452,360	**-**	**246,661**	529,513	1	307,699

4. CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are:

- to comply with the capital requirements set by the Bank of Mauritius for its leasing activities.
- to safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for its shareholders and benefits for other stakeholders; and
- to maintain a strong capital base to support the development of its business.

Quantitative data about what the Group manages as capital:

	GROUP		COMPANY	
	2017	2016	**2017**	2016
	Rs' 000	Rs' 000	**Rs' 000**	Rs' 000
Long term debt	**609,401**	829,104	**299,908**	301,264
less Cash and cash equivalents	**(284,000)**	(139,507)	**-**	-
Net debt	**325,401**	689,597	**299,908**	301,264
Total Equity	**5,462,655**	5,068,301	**2,224,312**	1,638,784
Adjustments	**(3,285,208)**	(3,041,690)	**-**	-
Adjusted Equity	**2,177,447**	2,026,611	**2,224,312**	1,638,784
Debt to equity ratio	**0.15**	0.34	**0.13**	0.18

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

(a) Impairment losses on leases

The Group reviews its lease portfolio to assess impairment at least on a quarterly basis. In determining whether an impairment loss should be recorded in profit or loss, the Group makes judgements as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of leases before the decrease can be identified with an individual lease in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of lessees, or national or local economic conditions that correlate with defaults on assets in the group.

The directors use estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling its future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experienced.

To determine the amount of impairment losses on impaired leases, the directors take into account the recoverable amount of collaterals for impaired leases as determined by professional valuers. Impaired leases relate to leases that have instalments due for more than 3 months and that have been considered in the specific provision for impairment losses on finance leases.

The directors estimate that a 0.1% change in lease loss rate will lead to a change in impairment of Rs 3.1m (2016 – Rs 4.0m). Management believes that a 0.1% shift in loss rate is adequate to determine the sensitivity of impairment as a result of a change in loss rate.

(b) Asset lives, residual values and depreciation policies

Plant and equipment are depreciated over their useful lives taking into account residual values. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors (maintenance, future market conditions, projected disposal values, among other things). The directors make estimates based on historical experience and use best judgement to assess the useful lives of assets and to forecast the expected residual values of the assets at the end of their expected useful lives.

(c) Judgements

In preparing the financial statements, the directors had to consider whether the significant risks and rewards of ownership are transferred to the lessees in determining whether the leases should be classified as finance or operating lease. The Board of Directors makes use of the guidance as set out in IAS17 leases to classify leases between finance and operating leases.

6. INTANGIBLE ASSETS

GROUP

	2017 Rs' 000	2016 Rs' 000
COST		
At 1st July	63,699	29,248
Additions	245	34,451
At 30th June	63,944	63,699
AMORTISATION		
At 1st July	29,866	23,465
Charge for the year	4,001	6,401
At 30th June	33,867	29,866
NET BOOK VALUES	30,077	33,833

7. PROPERTY, PLANT AND EQUIPMENT

GROUP

	Assets under operating leases: Plant and Equipment	Assets under operating leases: Motor Vehicles	Office Equipment	Computer Equipment	Motor Vehicle	Total
	Rs' 000	Rs' 000	Rs' 000	Rs' 000	Rs' 000	Rs' 000
COST						
At 1st July 2016	**254,540**	**444,789**	**5,390**	**6,000**	**-**	**710,719**
Additions	**36,654**	**247,505**	**1,028**	**116**	**302**	**285,605**
Disposals	**(20,254)**	**(79,454)**	**-**	**-**	**-**	**(99,708)**
At 30th June 2017	**270,940**	**612,840**	**6,418**	**6,116**	**302**	**896,616**
DEPRECIATION						
At 1st July 2016	**86,810**	**140,720**	**4,626**	**5,867**	**-**	**238,023**
Charge for the year	**33,797**	**82,975**	**483**	**76**	**35**	**117,366**
Disposals adjustment	**(14,306)**	**(44,754)**	**-**	**-**	**-**	**(59,060)**
At 30th June 2017	**106,301**	**178,941**	**5,109**	**5,943**	**35**	**296,329**
COST						
At 1st July 2015	256,965	412,769	4,928	5,881	-	680,543
Additions	30,536	138,153	462	119	-	169,270
Disposals	(21,643)	(91,611)	-	-	-	(113,254)
Assets written off	(11,318)	(14,522)	-	-	-	(25,840)
At 30th June 2016	254,540	444,789	5,390	6,000	-	710,719
DEPRECIATION						
At 1st July 2015	81,451	132,711	4,403	5,814	-	224,379
Charge for the year	35,547	67,061	223	53	-	102,884
Disposals adjustment	(13,828)	(60,039)	-	-	-	(73,867)
Assets written off	(16,360)	987	-	-	-	(15,373)
At 30th June 2016	86,810	140,720	4,626	5,867	-	238,023
NET BOOK VALUES						
At 30th June 2017	**164,639**	**433,899**	**1,309**	**173**	**267**	**600,287**
At 30th June 2016	167,730	304,069	764	133	-	472,696

8. INVESTMENTS IN ASSOCIATES

	GROUP	
	2017 Rs' 000	2016 Rs' 000
At 1st July	**4,949,657**	3,580,698
Share of profit	**70,337**	370,869
Share of other comprehensive income:		
- Revaluation and other reserve	**(7,286)**	661,408
- Fair value reserve and prior year adjustments	**242,148**	381,794
Share of other movements in reserves of associates	**(91)**	-
Exercise of rights in associate	**53,395**	-
Share of changes in ownership of associate's subsidiary	**69,616**	-
Effect of employee share options exercised in associate	**(2,099)**	-
Dividends	**(58,644)**	(45,112)
At 30th June	**5,317,033**	4,949,657

The following are associated companies of Fincorp Investment Limited. Both companies are listed.

	Nature of Business	Principal place of Business and Country of Incorporation	2017 Percentage held Direct %	2017 Percentage held Total %	2016 Percentage held Direct %	2016 Percentage held Total %
Promotion and Development Limited	Investment and Property development	Mauritius	**46.35**	**46.35**	46.37	46.37
Caudan Development Limited	Property development, investment and provision of security services	Mauritius	**5.34**	**38.07**	5.34	34.51

(i) Summarised financial information of the material associate, Promotion and Development Ltd, is set out below:

	Current assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Non-controlling Interest	Revenue	Profit	Other Comprehensive Income	Total Comprehensive Income	Dividend Received
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
2017	**259,678**	**13,130,739**	**385,176**	**841,029**	**1,154,111**	**571,065**	**142,988**	**506,774**	**649,762**	**58,644**
2016	223,964	12,516,098	308,059	1,007,508	1,088,514	548,726	798,307	2,249,666	3,047,973	45,112

Reconciliation of the above summarised financial information to the carrying amount recognised in the financial statements:

	Opening Net Assets	Profit	Other Comprehensive Income	Other Movements in Reserves	Dividends	Closing Net Assets	Ownership Interest	Carrying Value
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**%**	**Rs'000**
2017	**10,335,981**	**142,988**	**506,774**	**150,887**	**(126,529)**	**11,010,101**	**46.35%**	**5,103,012**
2016	7,385,289	798,307	2,249,666	-	(97,281)	10,335,981	46.37%	4,792,984

8. INVESTMENTS IN ASSOCIATES (CONT'D)

(ii) Information of associate that is not material:

	GROUP	
	2017	2016
	Rs' 000	Rs' 000
Carrying amount of interest	**214,021**	156,673
Share of profit	**4,064**	680
Share of other comprehensive expense	**(21)**	(10)

(iii)The above associates are accounted using the equity method.

(iv) As at June 30, 2017, the fair value of the Company's interest in Promotion and Development Limited and Caudan Development Ltd which are listed on the Stock Exchange of Mauritius Ltd was Rs2,111,183,919 (2016:Rs1,569,854,709) and Rs112,129,576 (2016:Rs52,072,377) respectively based on the quoted market price available, which is a level 1 input in terms of IFRS 13.

	COMPANY	
	2017	2016
	Rs' 000	Rs' 000
At 1st July	**1,621,927**	1,738,945
Fair value adjustment	**547,991**	(117,018)
Exercise of rights in associate	**53,395**	-
At 30th June	**2,223,313**	1,621,927

Notes to the Financial Statements *(Continued)*

Year ended 30th June 2017

9. INVESTMENT IN SUBSIDIARY

	COMPANY
	Rs' 000
At 1st July 2016 and 30th June 2017 - cost	**200,000**

	Country of Incorporation and Operation	Class of Shares	Cost of Investment	Nominal Value of Investment	Percentage Held	Main Business
			Rs' 000	Rs' 000		
2016 & 2017						
Finlease Company Limited	Mauritius	Ordinary	200,000	200,000	100%	Leasing

The issued share capital of Finlease Company Limited, Fincorp Investment's only subsidiary, consists of 20,000,000 ordinary shares of Rs.10 each.

10. INVESTMENT SECURITIES

Available-for-sale

	GROUP & COMPANY		
	Quoted Level 1	Unquoted Level 3	Total
	Rs' 000	Rs' 000	Rs' 000
At 1st July 2015	272,164	212,623	484,787
Fair value decrease	(33,368)	-	(33,368)
At 30th June 2016	**238,796**	**212,623**	**451,419**
Disposal	**(8,798)**	**-**	**(8,798)**
Fair value increase	**10,082**	**-**	**10,082**
At 30th June 2017	**240,080**	**212,623**	**452,703**

Available-for-sale securities are denominated in rupees.

Fincorp Investment Limited holds more than a 10% interest in the following companies:

	Nature	2017	2016
		Percentage held	
		%	%
MFD Group Limited	Ordinary	**15.00**	15.00
Le Refuge du Pêcheur Ltd	Ordinary	**11.00**	11.00

Notes to the Financial Statements *(Continued)*

Year ended 30th June 2017

11. LOAN RECEIVABLE

	GROUP		COMPANY	
	2017	2016	**2017**	2016
	Rs' 000	Rs' 000	**Rs' 000**	Rs' 000
Amount due by subsidiary	**-**	-	**105,571**	102,584
Subordinated loans	**299,908**	301,264	**299,908**	301,264
	299,908	301,264	**405,479**	403,848

The loans are unsecured and are denominated in Mur and Euro and attract interest at commercial rates.
The loans have no defined repayment date.

12. FINANCE LEASE RECEIVABLES

	GROUP	
	2017	2016
(a) Gross investment in finance leases:	**Rs' 000**	Rs' 000
Within one year	**1,476,968**	1,495,077
After one year and before five years	**2,834,463**	2,893,554
After five years	**57,147**	40,241
	4,368,578	4,428,872
Unearned future finance income on finance leases	**(566,716)**	(561,321)
	3,801,862	3,867,551
(b) Rent receivables:		
Rental receivables on finance and operating lease	**78,907**	67,297
Less Net impairment of financial assets	**(88,028)**	(55,143)
Net lease receivables	**3,792,741**	3,879,705
Finance lease receivables may be analysed as follows:-		
Receivable within one year	**1,307,431**	1,307,840
Receivable after one year and before five years	**2,520,215**	2,589,320
Receivable after five years	**53,123**	37,688
	3,880,769	3,934,848
Less Net impairment of financial assets	**(88,028)**	(55,143)
Net lease receivables	**3,792,741**	3,879,705
Non-Current assets	**2,485,310**	2,571,865
Current assets	**1,307,431**	1,307,840
Net investment in finance leases	**3,792,741**	3,879,705
(c) Net impairment of financial assets:		
At 1st July	**55,143**	39,594
Provision for the year	**42,793**	17,145
Release/Amounts written off	**(9,908)**	(1,596)
At 30th June	**88,028**	55,143

Notes to the Financial Statements *(Continued)*

Year ended 30th June 2017

13. OTHER RECEIVABLES

	GROUP		COMPANY	
	2017	2016	**2017**	2016
	Rs' 000	Rs' 000	**Rs' 000**	Rs' 000
Amount due by subsidiary	**-**	-	**168**	50,673
Investment and other receivable from group company	**-**	-	**49,382**	45,111
Other investment and rental income receivable	**6,474**	5,796	**-**	149
Assets repossessed pending disposals	**2,564**	8,976	**-**	-
Fees and residual value receivable	**19,166**	26,172	**-**	-
Others	**34,093**	13,978	**154**	42
	62,297	54,922	**49,704**	95,975

The carrying amounts of other receivables approximate their fair value.

14(a) BANK OVERDRAFTS

Bank overdrafts are secured by a floating charge on the Company's assets for Rs 170m and shares held in Promotion and Development Ltd. The rates of interest varied from 2% to 7% during the year.

14(b) BORROWINGS

	GROUP		COMPANY	
	2017	2016	**2017**	2016
	Rs' 000	Rs' 000	**Rs' 000**	Rs' 000
Current				
Other loans	**179,465**	192,302	**-**	-
Bank loans	**73,335**	67,016	**-**	-
	252,800	259,318	**-**	-
Non-current				
Other loans	**167,978**	351,751	**-**	-
Bank loans	**441,423**	477,353	**299,908**	301,264
	609,401	829,104	**299,908**	301,264
	862,201	1,088,422	**299,908**	301,264
Analysed as follows:				
Within a period of 1 year	**252,800**	259,318	**-**	-
Within a period of more than 1 year but not exceeding 2 years	**197,873**	241,053	**-**	-
Within a period of more than 2 years but not exceeding 5 years	**108,032**	286,787	**-**	-
Within a period of more than 5 years	**303,496**	301,264	**299,908**	301,264
	862,201	1,088,422	**299,908**	301,264

The carrying amounts of borrowings are not materially different from their fair values.

The bank loans are secured by a floating charge on the Group's assets for Rs 250m.

The rate of interest varied between 1% and 6% during the year.

Other loans consists of loans from State Investment Corporation Limited obtained in order to finance leasing facilities granted under the different Leasing Equipment Modernisation Schemes.

Notes to the Financial Statements (Continued)
Year ended 30th June 2017

15. OTHER PAYABLES

	GROUP		COMPANY	
	2017	2016	**2017**	2016
	Rs' 000	Rs' 000	**Rs' 000**	Rs' 000
Registration duty payable to government	**8,812**	11,112	**-**	-
Unallocated receipts	**14,112**	-	**-**	-
Unpresented cheques to suppliers	**38,443**	-	**-**	-
Others	**46,238**	29,693	**2,614**	2,366
	107,605	40,805	**2,614**	2,366

The carrying amounts of other payables equal their fair value.

16. SHARE CAPITAL AND RESERVES

(a) SHARE CAPITAL

	COMPANY
	2017 & 2016
	Rs' 000
AUTHORISED:	
250,000,000 ordinary shares of Re.1 each	**250,000**
ISSUED AND FULLY PAID:	
At 1st July 2016 and 30th June 2017	**103,355**

The issued share capital consists of 103,355,340 ordinary shares of Re.1 each.

(b) NATURE AND PURPOSE OF RESERVES

Capital reserve:

Capital reserve comprise mainly of movements arising in the reserves of associates.

Revaluation and Other reserve:

Fair value adjustments, which comprise of the cumulative net change in the fair value of available-for-sale financial assets that has been recognised in other comprehensive income until the investments are derecognised or impaired. Other reserve comprise of all the movements arising in the reserves of associates.

Statutory reserve:

15% of the profit after tax is transferred to the Statutory reserve in compliance with the requirements of the Banking Act 2004.

General risk reserve:

The general risk reserve consists of amounts set aside in respect of impairment of the lease portfolio, in addition to the specific and portfolio provision.

Notes to the Financial Statements *(Continued)*

Year ended 30th June 2017

17. OTHER INCOME

	GROUP		COMPANY	
	2017	2016	**2017**	2016
	Rs' 000	Rs' 000	**Rs' 000**	Rs' 000
Dividend	**4,729**	260	**67,645**	104,393
Operating lease income	**155,116**	134,148	**-**	-
Other processing fees	**9,996**	7,500	**-**	-
Other operating income	**22,081**	9,414	**-**	-
Profit on disposal of financial assets	**2,702**	45	**2,702**	-
Others	**717**	150	**885**	867
	195,341	151,517	**71,232**	105,260

18. FINANCE INCOME/(COSTS)

	GROUP		COMPANY	
	2017	2016	**2017**	2016
	Rs' 000	Rs' 000	**Rs' 000**	Rs' 000
Finance income:				
Finance leases	**284,350**	288,594	**-**	-
Other interest income	**20,245**	24,135	**13,643**	11,463
	304,595	312,729	**13,643**	11,463
Finance costs:				
Borrowings	**72,825**	73,931	**53,892**	48,467
Deposits	**181,274**	181,398	**-**	-
	254,099	255,329	**53,892**	48,467
Net Finance income/(costs)	**50,496**	57,400	**(40,249)**	(37,004)

19. OPERATING EXPENSES

	GROUP		COMPANY	
	2017	2016	**2017**	2016
	Rs' 000	Rs' 000	**Rs' 000**	Rs' 000
Wages and salaries	**24,586**	21,614	**-**	-
Defined benefit plan	**1,856**	2,162	**-**	-
Defined contribution plan	**353**	258	**-**	-
Other personnel expenses	**683**	1,256	**-**	-
Depreciation charge	**117,366**	102,884	**-**	-
Amortisation of intangible assets	**4,001**	6,401	**-**	-
Assets written off	**-**	10,467	**-**	-
Other expenses	**37,144**	18,644	**2,809**	3,254
	185,989	163,686	**2,809**	3,254

The Group has a multi-employer plan and contributions made have been accounted as a defined contribution plan.

20. PROFIT BEFORE TAX

	GROUP		COMPANY	
	2017	2016	**2017**	2016
	Rs' 000	Rs' 000	**Rs' 000**	Rs' 000
The profit for the year before taxation is arrived at after crediting:				
Investment income				
Quoted	**4,611**	260	**67,527**	54,393
Unquoted	**118**	-	**118**	50,000

21. INCOME TAX EXPENSE

	GROUP		COMPANY	
	2017	2016	**2017**	2016
	Rs' 000	Rs' 000	**Rs' 000**	Rs' 000
Income tax on adjusted profits	**9,493**	10,101	**682**	976
Deferred tax (Note 23)	**(5,322)**	5,145	**-**	-
Corporate Social Responsibility contribution	**1,337**	1,262	**136**	139
Charge for the year	**5,508**	16,508	**818**	1,115

The tax on the Group and the Company's profit differs from the theoretical amount that would arise using the basic rate as follows:

	GROUP 2017	GROUP 2016	COMPANY 2017	COMPANY 2016
Profit before tax	**87,492**	398,886	**28,273**	64,933
Share of profits of Associates	**(70,337)**	(370,869)	**-**	-
	17,155	28,017	**28,273**	64,933
Tax calculated at a tax rate of 15%	**2,573**	4,203	**4,241**	9,740
Impact of:				
Income not subject to tax	**(6,390)**	(39)	**(10,552)**	(15,659)
Expenses not deductible for tax purposes	**7,988**	11,082	**6,993**	6,895
Corporate Social Responsibility contribution	**1,337**	1,262	**136**	139
Tax charge	**5,508**	16,508	**818**	1,115

22. DIVIDENDS

Amounts not recognised as distribution to owners:

Before the financial statements were authorised for issue, the Board of Directors of Fincorp Investment Limited declared a final dividend of Re 0.60 per share for the financial year ended 30th June 2017.

	COMPANY	
	2017	2016
Amounts recognised as distribution to owners:	**Rs' 000**	Rs' 000
Declared and payable final dividend of Re 0.60 per share for the financial year ended 30th June 2016	**-**	62,013

23. DEFERRED TAX LIABILITIES

	GROUP	
	2017	2016
	Rs' 000	Rs' 000
At 1st July	**24,649**	19,504
Movement for the year (Note 21)	**(5,322)**	5,145
At 30th June	**19,327**	24,649

Deferred income taxes are calculated on all temporary differences under the liability method at 15%.

Notes to the Financial Statements *(Continued)*

Year ended 30th June 2017

24. EARNINGS PER SHARE

Earnings per share is calculated by dividing the profit attributable to equity holders of the parent by the number of equity shares in issue and ranking for dividend.

		GROUP		COMPANY	
		2017	2016	**2017**	2016
		Rs' 000	Rs' 000	**Rs' 000**	Rs' 000
Profit attributable to equity holders of the parent		**81,984**	382,378	**27,455**	63,818
Number of shares in issue and ranking for dividend (thousands)		**103,355**	103,355	**103,355**	103,355
Earnings per share.	Rs	**0.79**	3.70	**0.27**	0.62

25. CAPITAL COMMITMENTS

	GROUP	
	2017	2016
	Rs' 000	Rs' 000
Capital commitments at 30th June are as follows :		
Future leases	**370,368**	767,337

26. OPERATING LEASES

	GROUP	
	2017	2016
	Rs' 000	Rs' 000
Future minimum lease receivables under non-cancellable operating leases may be analysed as follows:		
Less than 1 year	**157,009**	126,811
More than 1 year and less than 5 years	**310,830**	247,575
More than 5 years	**5,002**	4,378
	472,841	378,764

27. OPERATING SEGMENTS

Year ended 30th June 2017

	Group	Leasing	Investing	Eliminations
	Rs' 000	Rs' 000	Rs' 000	Rs' 000
Revenue from External Customers	497,234	484,490	12,744	-
Revenue from associates	-	-	62,916	(62,916)
Inter segment revenue	-	-	6,513	(6,513)
Total revenue	497,234	484,490	82,173	(69,429)
Operating Profit before impairment	59,948	94,591	28,273	(62,916)
Net impairment of financial assets	(42,793)	(42,793)	-	-
Operating Profit	17,155	51,798	28,273	(62,916)
Share of profits of associates	70,337			
Profit before tax	87,492			
Income tax expense	(5,508)			
Profit attributable to equity holders of the parent	81,984			
Other segment items:				
Segment assets	5,742,816	4,990,012	1,107,927	(355,123)
Investments in associates	5,317,033		2,223,313	
Total assets	11,059,849		3,331,240	
Segment liabilities	5,595,537	4,594,347	1,106,928	(105,738)
Unallocated liabilities	1,657			
Total liabilities	5,597,194			
Capital expenditure	285,850	285,850		
Depreciation charge	117,366	117,366		
Amortisation	4,001	4,001		

Notes to the Financial Statements (Continued)

Year ended 30th June 2017

27. OPERATING SEGMENTS (CONT'D)

Year ended 30th June 2016

	Group	Leasing	Investing	Eliminations
	Rs' 000	Rs' 000	Rs' 000	Rs' 000
Revenue from External Customers	464,246	455,731	8,515	-
Revenue from associates	-	-	54,133	(54,133)
Inter segment revenue	-	-	54,075	(54,075)
Total revenue	464,246	455,731	116,723	(108,208)
Operating Profit before impairment	45,162	84,362	64,933	(104,133)
Net impairment of financial assets	(17,145)	(17,145)	-	-
Operating Profit	28,017	67,217	64,933	(104,133)
Share of profits of associates	370,869			
Profit before tax	398,886			
Income tax expense	(16,508)			
Profit attributable to equity holders of the parent	382,378			
Other segment items:				
Segment assets	5,545,987	4,793,114	1,151,242	(398,369)
Investments in associates	4,949,657		1,621,927	
Total assets	10,495,644		2,773,169	
Segment liabilities	5,362,633	4,393,800	1,072,090	(103,257)
Unallocated liabilities	64,710			
Total liabilities	5,427,343			
Capital expenditure	203,721	203,721		
Depreciation charge	102,884	102,884		
Amortisation	6,401	6,401		

28 RELATED PARTY TRANSACTIONS

(a) GROUP

The following transactions were carried out by the Group with related parties:

	Lease Rental Income	Interest Income	Expenses/ Financial Charges	Loan/ Amount Due	Deposit Balance/ Amount due	Net Finance Lease Receivables
	Rs' 000	Rs' 000	Rs' 000	Rs' 000	Rs' 000	Rs' 000
2017						
Entity under common control	**-**	**12,946**	**68,455**	**1,323,762**	**509,401**	**-**
Directors and close family members	**-**	**-**	**-**	**-**	**18,037**	**4,527**
Enterprises in which directors/key management personnel have significant interest	**372**	**6,548**	**-**	**-**	**20,177**	**70,649**
2016						
Entity under common control	-	16,074	60,202	1,314,850	354,167	-
Directors and close family members	-	-	-	-	18,000	2,369
Enterprises in which directors/key management personnel have significant interest	1,700	7,436	-	-	20,000	86,666

(b) COMPANY

The following transactions were carried out by the Company with related parties:

	2017	2016
	Rs' 000	Rs' 000
Holding Company		
Dividend payable	**-**	62,013
Entity under joint control		
Loan/amount due to	**1,104,314**	1,069,724
Expenses/financial charges	**53,892**	48,467
Subsidiary Company (Finlease)		
Loan due from	**105,571**	102,584
Amount due from	**-**	50,000
Rent receivable	**168**	673

The above transactions have been made on normal commercial terms and in the normal course of business.
The loans are unsecured and will be settled according to the terms of the loans.
The Group/Company has not recorded any impairment of receivables relating to the amount owed by related parties.
Collaterals are held for the Net finance lease receivables.

(c) REMUNERATION

	2017	2016
Directors and key management personnel : Salaries and short term employee benefits	**4,596**	5,076

29. HOLDING COMPANY

The directors regard MCB Group Limited as its holding company. The MCB Group Limited is incorporated in Mauritius.

Five-year Financial Summary

Year ended 30th June 2017

		GROUP					COMPANY				
		2017 Rs' m	2016 Rs' m	2015 Rs' m	2014 Rs' m	2013 Rs' m (Restated*)	**2017 Rs' m**	2016 Rs' m	2015 Rs' m	2014 Rs' m	2013 Rs' m
STATEMENTS OF FINANCIAL POSITION											
Non-current assets		**9,406**	8,993	7,370	7,072	6,628	**3,281**	2,677	2,780	2,637	2,410
Current assets		**1,654**	1,502	1,522	1,247	1,112	**50**	96	92	88	75
Current liabilities		**1,927**	1,856	2,703	1,661	1,370	**807**	833	785	751	736
Net current liabilities		**(273)**	(354)	(1,181)	(414)	(258)	**(757)**	(737)	(693)	(663)	(661)
		9,133	8,639	6,189	6,658	6,370	**2,524**	1,940	2,087	1,974	1,749
Share capital		**103**	103	103	103	103	**103**	103	103	103	103
Retained earnings		**1,968**	1,824	1,572	1,585	1,483	**34**	7	5	4	5
Other reserves		**3,392**	3,141	2,063	2,025	1,883	**2,087**	1,529	1,679	1,552	1,332
Shareholders' interests		**5,463**	5,068	3,738	3,713	3,469	**2,224**	1,639	1,787	1,659	1,440
Non-current liabilities		**3,670**	3,571	2,451	2,945	2,901	**300**	301	300	315	309
		9,133	8,639	6,189	6,658	6,370	**2,524**	1,940	2,087	1,974	1,749
STATEMENTS OF PROFIT OR LOSS											
Revenue		**497**	464	422	412	417	**82**	117	114	102	92
Profit before tax		**87**	399	85	175	43	**28**	65	64	46	35
Profit attributable to equity holders of the parent		**82**	382	67	158	28	**27**	64	63	45	35
Dividends**		**62.0**	62.0	62.0	46.5	31.0	**62.0**	62.0	62.0	46.5	31.0
DATA PER SHARE											
Earnings per share	Rs	**0.79**	3.70	0.65	1.52	0.27	**0.27**	0.62	0.61	0.44	0.33
Dividend per share**	Re	**0.60**	0.60	0.60	0.45	0.30	**0.60**	0.60	0.60	0.45	0.30
Net assets per share	Rs	**52.85**	49.04	36.17	35.93	33.56	**21.52**	15.86	17.29	16.05	13.94

* Figures were restated following reversal of deferred tax on land, accrual of VAT, and adoption of IAS19 (revised) by associates.

** Dividends for the financial year ended 30th June 2017 were declared after year end.

Fincorp

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